



# City of San Diego



**January 31, 2003**

**Quarterly Report (October-January)**  
**Public Utilities Commission Decision 02-05-046, Rulemaking 01-08-028**  
**Project Reference Number 284-02**

**I. Program**

Whole House Energy Retrofit Incentive Program.

**II. Program Description**

The *Whole House Energy Retrofit Incentive Program* (the Program) is a local residential program aimed at homeowners who reside in homes constructed before 1978. There are three sub-groups of homeowners within this market that are being targeted by the program: (1) owners who submit plans for an addition or remodel of their home, (2) hard-to-reach homeowners in lower-income areas of the City, and (3) homeowners interested in reducing their energy consumption.

The incentive program is being marketed as a comprehensive package of benefits that includes: (1) the rebates available from San Diego Gas and Electric (SDG&E), (2) information about energy efficiency, (3) design and inspection assistance from the City, and (4) an additional financial incentive offered under this program. The comprehensive incentive offered under the City's program is additive to residential energy efficiency measure incentives available from SDG&E.

The incentive program is a whole-house retrofit plan. Program applicants are currently able to take advantage of two levels of incentives depending on the extent of the retrofit work they select. The City of San Diego is working with the CPUC to approve a third incentive package option to program applicants, denoted as Package 3.

- ◆ Package 1. For homeowners who insulate their attic with R-30 insulation, install double-pane windows, install low-flow shower heads and wrap their water heaters (as appropriate) the retrofit incentive will be \$250 to \$650, depending on income level. (See Table 1 for incentive amounts for various income levels)

- ◆ Package 2. For homeowners who do all of the above and also install a new, high-efficient furnace, the retrofit incentive will be \$475 to \$875, depending on income.
- ◆ Package 3. For homeowners who insulate their attic with R-30 insulation, wrap their water heater (as appropriate), install low-e window film on all windows, and replace 50% or 10 (whichever is less) of their incandescent light bulbs with CFL bulbs, the rebate incentive will be \$300 to \$500 depending on income level.

Homeowners are responsible for selection, purchase and installation of the energy efficient materials and equipment required under this program. Information about acceptable energy efficiency levels of materials and equipment is provided in the program information brochures as well as the Program's website.

### **III. Program Summary Data**

#### **1. Aggregated Customer Information**

The customer information is available in the Q4 worksheet of the Customer Information Workbook Q4.

#### **2. Applications Received and Not Yet Paid**

Number of applications received	5
Estimated amount of incentives to be paid	1500
Estimated demand and energy savings as a applicable (kW, kWh, Therms)	2kW,666kWh, 372Therms

#### **3. Average Rebate Processing Turn-Around Time**

The average rebate processing time for the three customers who have completed the process is 8 weeks. These were the first three applicants and internal procedures have been stream-lined as a result of their processing. We expect to see future applicants to have a 4 week turn around from time of application submission to check reimbursement.

### **IV. Training**

#### **Quarter 3**

A set of two one-hour training sessions was conducted in September to train a group of 50 Plan Review Specialists. All 50 Specialists attended each of the two sessions where they were educated on the Program and trained to proactively inform customers. To do the training, a supervising Plan Review Specialist developed a Program outline and Program procedures. For the training, each Specialist was provided with a Program Flier, a brochure, and a copy of the Internal Policy Procedures that was submitted to SDG&E as required by the 2002 Agreement for Third Party Energy Efficiency Implementers.

An additional one-hour session was done to train 30 Community Service Centers' staff members. The same process was followed to train these employees as was followed on the above training.

#### Quarter 4

This quarter, the City of San Diego produced one training session to its own staff of Community Service Center (CSC) Managers. This was a thirty minute presentation given to train the staff at the CSC's in order to handle customer questions about the program. These centers are the distribution hub for our application and other informational materials. However, the focus this quarter surrounded program management and development. Currently, the City is working on developing a contact list of contractors to invite to a group training. In addition, the City hopes to coordinate directly with vendors who supply the materials necessary for the Whole House Program. We estimate many training sessions will come with vendors. Finally, the City is planning on making multiple presentations to community groups once the third package addition is approved and the marketing materials are produced.

### **V. Marketing**

#### Quarter 3

During September marketing materials were developed to promote the program starting October 1, 2002. These marketing materials included 3,000 Program folios; 7,000 applications; 7,000 Access Agreements; 7,000 brochures; 39,000 fliers; 2,000 fliers with information about SDG&E's LIEE, CARE, and other Energy Efficiency programs; 2,000 Completion Certificate, and 2000 letters from the City's Energy Administrator welcoming Program participants. Five thousand (5,000) fliers and 5,000 brochures were distributed to all City libraries and Park and Recreation facilities at the end of September. Also, the City began to mail Program fliers as inserts to the water bill during the first week of October, and it expects to finish mailing a total of 270,000 fliers by the end of November at the rate of 32,000 fliers per week. Copies of all marketing materials were sent to all Community Service Centers and Development Service Department offices to begin to encourage homeowners who submit plans for remodel of their homes to apply to the Program.

#### Quarter 4

No new marketing materials were created this quarter, instead this quarter achieved distribution of the previous printings. At the close of November, the water bill mailing inserts completed their cycle resulting in 270,000 direct mailings. The direct mailing inserts produced over 700 customer inquiries by phone. For the interested participants over 900 folios were distributed to Community Service Centers, Development Services Department locations, and the Neighborhood Code Compliance Department.

The City plans to repeat distribution methods next quarter with improved materials including the new option available to participants.

## **VI. Inspections**

There have been three inspections conducted this period. One more inspection permit has been issued and can be executed at any time. Our fifth applicant is currently being processed for inspection. The inspections which have occurred have done so with ease, as the inspectors received adequate training and the applicants were well informed about the process. All inspections thus far have been successful, and no complaints have been filed.

## **VII. EM&V**

The timeline for hiring an EM&V consultant was scheduled for this quarter. The City was given a list of four pre-qualified consultants from which we requested bids. The Request for Proposal returned only three bids, from which the City chose the lowest qualified bidder. Business Economic Analysis and Research (BEAR) was named the EM&V consultant for the Whole House Program. A contract was designed and is currently in the final stages of execution. BEAR will design an evaluation plan once the City receives final judgment on the proposed Package 3. There has been no cost for EM&V services recorded this period.

## **VIII. Budget Summary**

The budget summary shown in the table below represents the expenses that have been charged to the Program year-to-date.

	CHARGED EXPENDITURES
Total Administrative Costs	\$23,333.35
Total Marketing/Advertising/Outreach Costs	\$24,967.56
Total Direct Implementation Costs	\$4,244.34
Total EM&V Costs	\$0.00
Total Other Costs	\$0.00
Expenditures Grand Total	\$52,545.25

## **IX. Budget Adjustments**

The creation of the Quarter 4 Budget Summary illustrated inconsistencies in the reporting methodology for the Quarter 3 Budget Summary. Since the Quarter 3 reporting, the City's accounting structure relating to the Whole House Program has been improved, therefore, some minor changes were made with little lasting effect.

1. Overhead was placed in the line item Type A: Regulatory Support under the main category of Administrative costs. This overhead was previously placed in the Direct Implementation category, subcategory: Training for plan review specialists.
2. There was a deduction in costs for the Marketing/Advertising/Outreach category, subcategory: Brochures/Booklets. In the Quarter 3 report, it was stated that the City paid \$1,279.63 for certain printings and designs. The City had received requisitions at that time, but had not actually expensed the money until Quarter 4. Therefore, this amount was deducted from Q3 and placed in the same category for Q4. This reduced the bottom line grand total for Q3 by exactly \$1,279.63.

These changes adhere to the methodology used in budget reporting for the Whole House Program, and match clearly with the City's accounting structure and programs.